



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NEW YORK REGIONAL OFFICE
BROOKFIELD PLACE, 200 VESEY STREET, SUITE 400
NEW YORK, NY 10281-1022

DUGAN BLISS
TELEPHONE: (212) 336-0971
EMAIL: blissd@sec.gov

July 18, 2018

VIA ECF

The Honorable Gregory H. Woods
United States District Judge
Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, Courtroom 12C
New York, New York 10007

Re: *Securities and Exchange Commission v. Gaughran and Clune*, 17-cv-10026

Dear Judge Woods:

I write as counsel for Plaintiff Securities and Exchange Commission (the “SEC”) in the above-referenced matter. With the consent of counsel for Robert Gaughran, Gerald Krovatin, the SEC and Mr. Gaughran jointly request that any and all deadlines related to Mr. Gaughran – including the SEC’s opposition to his motion to dismiss [Docket No. 48] and Mr. Gaughran’s reply – be stayed pending filing of settlement documents for the Court’s approval. Mr. Gaughran and counsel for the SEC have reached a settlement agreement subject to approval by the SEC’s Commissioners.¹ Counsel for the SEC anticipates receiving a decision from the Commissioners within about eight weeks. After that time, assuming the settlement agreement is approved, counsel for the SEC will submit documents necessary to obtain the Court’s approval of the settlement.

Respectfully submitted,

/s/Dugan Bliss

Dugan Bliss

cc: Gerald Krovatin, Esq.

¹ Only the SEC’s Commissioners have authority to settle a securities enforcement action. *See* 17 C.F.R. § 202.5(f). The Commission cannot legally delegate to its staff final and binding authority to settle such a case. Accordingly, in settlement negotiations the SEC’s trial counsel attempt to negotiate a settlement proposal which they believe will be acceptable to the SEC’s Commissioners. These recommendations are usually accepted, although each Commissioner has his or her own views, and occasionally reject settlements proposed by the SEC’s trial counsel.